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***Asia-Pacific Partnership on Clean Development and Climate:  
Vision and Implications***

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Distinguished guests,

I am delighted to have this opportunity to sketch for you the vision underlying the Asia-Pacific Partnership on Clean Development and Climate, in which both the Republic of Korea and the United States have decided to participate, along with Australia, China, India, and Japan. Together, the six partners represent nearly 50 percent of global population, GDP, energy use and greenhouse gas emissions.

Simply stated, the Partnership is informed by two basic imperatives:

- The world needs energy -- *lots of it*.
- And the world needs *cleaner* energy than it is now relying on.

**First, on the need for energy:**

By most estimates, 1.5 billion to 2 billion of the world's inhabitants lack access to basic modern energy supplies, including electricity. That is nearly one-third of a still-growing global population. Access to reliable energy supplies is an essential element in lifting communities out of poverty and into a modern economy. *We can't combat global poverty without providing access to energy.*

In fact, emerging economies account for much of the growth in consumption forecast by the *International Energy Outlook 2005*. Energy use in that group is projected to more than double by 2025, reflecting average annual growth rates of 3.2 percent. In contrast, consumption of energy in the mature economies is expected to grow by just 1.1 percent per year, thanks to slower rates of economic growth and rising energy efficiency.

The *International Energy Outlook 2005* study concludes that global energy consumption is likely to rise an average of 2 percent per year until 2025, which translates into an increase of 57 percent over 2002 levels. The world is thirsty for energy, as the daily ups and downs of the oil market continually remind us.

**But it is also important that we meet our future demand in ways that are not only affordable and secure, but clean as well.**

The United States and Korea know from experience the importance of addressing air pollution in the energy we produce and consume, and we have much to offer other countries by way of this experience.

We also know that the Earth's average surface temperature has risen, and that an increase in greenhouse gases caused by human activity, such as the burning of fossil fuels to make energy, has been associated with this warming.

The 1992 UN Framework Convention on Climate Change established the objective of "stabilizing greenhouse gas emissions at a level that would prevent dangerous anthropogenic interference with the climate system." Climate change is a serious, long-term issue, requiring sustained action over many generations by both developed and developing countries, to find ways to limit emissions of greenhouse gases.

**It was these linked concerns – the need for increasing supplies of reliable energy while limiting emissions of greenhouse gases and combating pollution – that led to the decision by the six partner countries to launch the Asia-Pacific Partnership on Clean Development and Climate.**

The Partnership was announced on July 27 during an ASEAN ministerial in Vientiane. It is a voluntary partnership designed to accelerate the development and deployment of cleaner, more efficient technologies to meet national pollution reduction, energy security and climate change concerns in ways that promote economic development and reduce poverty.

In a "vision statement" issued in Vientiane, the partners agreed to collaborate on issues such as

- Energy efficiency
- Integrated gasification combined cycle (IGCC) and other clean coal technologies
- Liquefied Natural Gas (LNG)
- Carbon capture and storage
- Combined heat and power
- Methane capture and use
- Civilian nuclear power
- Geothermal energy and other renewables
- Rural and village-level energy systems
- Advanced transportation systems

In addition the partners intend to cooperate in the development, diffusion, deployment and transfer of longer-term transformational energy technologies that will promote economic growth while enabling significant reductions in greenhouse gas intensities. These may include

- Hydrogen
- Advanced biotechnologies
- Next-generation nuclear fission
- Fusion energy

Neither of these lists is exhaustive. The Partnership will also be a forum to share experiences in developing policy options and in implementing sustainable development and energy strategies.

The announcement by the partners at the Vientiane ministerial consisted of little more than a short vision statement. The next step will be the drafting of a non-binding compact to structure and guide the Partnership's activities, at a meeting later this fall or early next year. No specific date has yet been announced.

The Asia-Pacific Partnership will build on work that is already underway in many areas. Korea and the United States were already participating in several voluntary partnerships working on innovative energy solutions. Let me recall for you the main ones:

- The International Partnership for the Hydrogen Economy (IPHE) seeks to speed the development of technological solutions to hasten the day when hydrogen, a clean fuel, and hydrogen fuel cells come into widespread use. Coordination among IPHE partners will leverage scarce research funding to promote efficiency and faster progress.
- The Generation IV International Forum works to develop the next generation of clean, safe and proliferation-resistant nuclear energy systems.
- The Methane to Markets Partnership focuses on cost-effective strategies for the recovery of methane and its use as an energy source. Methane is released from sanitary landfills and in coal-mining operations, among other sources. It is 23 times more potent than carbon dioxide as a greenhouse gas.
- Looking further into the future, the ITER partnership will conduct research on the feasibility of using a controlled fusion reaction to generate electricity. If it proves feasible, fusion promises virtually limitless supplies of clean energy. A test facility will be built in France and is expected to begin operation in 2016.
- Earlier this month, Minister Lee Hee-beom signed the Charter of the Carbon Sequestration Leadership Forum (CSLF), making Korea the Forum's 20<sup>th</sup> partner. On behalf of the U.S., I am pleased to welcome Korea's participation. The CSLF promotes the development of secure and efficient technologies for the capture and long-term storage of carbon dioxide emitted by the burning of fossil fuels in energy production.

The Asia-Pacific Partnership promises not only to build on existing collaborative efforts like these, but to expand as well into additional areas as sketched in the vision statement. The full text of the vision statement can be accessed at [www.state.gov/g/oes/rls/fs/50335.htm](http://www.state.gov/g/oes/rls/fs/50335.htm).

**So, what are the implications of this vision laid out by the six partners?**

First, some thoughts on what it does not imply.

- The Partnership is not a new international organization, nor in all likelihood will it have research and development funding of its own. It seeks to coordinate and leverage the efforts of its members to speed technological progress.
- Contrary to some speculative press accounts, the Partnership is not meant to replace the Kyoto Protocol. Its vision is compatible with and complementary to the Kyoto Protocol obligations that members have or may undertake in the future. It is also fully consistent with the undertakings embraced by the G-8 leaders in Gleneagles.

What the Partnership does imply is a commitment by each of the partners to address the problem of climate change, within a context that promotes healthy, sustainable growth and the eradication of poverty.

- In the case of the United States, there is ample evidence of its commitment in the form of resources. In 2006, the Bush Administration proposes to spend \$5.5 billion on climate change activities. The President has also proposed \$3.6 billion in tax incentives over 5 years to spur the use of clean and energy-efficient technologies. Another expression of our commitment is the President's goal of reducing greenhouse gas intensity – emissions per unit of economic activity – by 18 percent through 2012. Figures from 2003 and 2004 suggest that we will beat that target.

The partners recognize that they do not all bring the same capabilities to the table. The vision statement also commits them to "build human and institutional capacity to strengthen cooperative efforts." Such exchanges could have benefits in other areas beyond energy and climate.

Government programs are only part of the story. The Partnership vision statement also explicitly commits the partners to "seek opportunities to engage the private sector." Progress on efficient energy technologies will quickly lead to major investment opportunities for businesses such as some of those represented here today.

Ultimately, what the Asia-Pacific Partnership on Clean Development and Climate implies is hope – hope that our children will live in a world of abundant and affordable energy supplies, supporting prosperous economies that are able to grow without threatening damage to the climate and related environmental systems.

Thank you for your attention.